



COUNTY OF LOS ANGELES
Public Health

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October 17, 2012

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer



SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO AMEND
SEVEN CONTRACTS FOR THE PROVISION OF DRUG/MEDI-CAL SERVICES**

This is to notify you that I am exercising the delegated authority approved by your Board on June 7, 2011, to execute amendments to Drug/Medi-Cal (DMC) agreements that increase or decrease the contractual maximum obligations, and/or provide an internal reallocation of funds between budgets pursuant to the federal ruling of Sobky v. Smoley, subject to review and approval by County Counsel, and notification to your Board and Chief Executive Office.

Pursuant to both State legislation and the federal ruling of Sobky v. Smoley, counties are required to enter into agreements with all State-certified DMC service providers who request service contracts and who demonstrate the ability to comply with all local requirements. Moreover, when these agencies request additional funds necessary to provide services to persons eligible for DMC program services, counties are required to amend the DMC agreements to reflect the additional services and funding. Under the federal ruling, counties have no basis to deny reimbursement for services if the contractor is in full compliance with contractual requirements.

Under the delegated authority referenced above, I will execute the following DMC amendments for the term of July 1, 2011 through June 30, 2014, which also includes a rate adjustment for fiscal years 2012-13 and 2013-14; 100 percent offset by State Realignment revenues as authorized under Assembly Bill 118 and federal Medicaid matching funds:

- 1) Agreement Number PH-001764 with Mount Zion Counseling Services, Inc. to increase the annual funding by \$100,000, increasing the annual obligation from \$50,000 to \$150,000, and the total maximum obligation from \$150,000 to \$450,000, to provide additional Outpatient Drug Free Services and Day Care Habilitative Services;
- 2) Agreement Number PH-001804 with Circle of Help Foundation to reallocate \$13,056 internally from Day Care Habilitative Services to provide additional Outpatient Drug Free Services based on the needs of the service area;
- 3) Agreement Number PH-001808 with Dixon Recovery Institute, Inc. to increase the annual funding by \$131,900, increasing the annual obligation from \$1,133,100 to \$1,265,000, and the total maximum obligation from \$3,399,300 to \$3,795,000, to provide additional Outpatient Drug Free Services;

- 4) Agreement Number PH-001811 with Free N One A Drug and Alcohol Free Program to increase the annual funding by \$11,667, increasing the annual obligation from \$133,333 to \$145,000, and the total maximum obligation from \$399,999 to \$435,000, to provide additional Outpatient Drug Free Services;
- 5) Agreement Number PH-001825 with Matrix Institute on Addictions to increase the annual funding by \$35,000, increasing the annual obligation from \$900,000 to \$935,000, and the total maximum obligation from \$2,700,000 to \$2,805,000, to provide additional Narcotic Treatment Services;
- 6) Agreement Number PH-001831 with New Hope Drug and Alcohol Treatment Program, Inc. to increase the annual funding by \$180,000, increasing the annual obligation from \$240,000 to \$420,000, and the total maximum obligation from \$720,000 to \$1,260,000, to provide additional Day Care Habilitative Services; and
- 7) Agreement Number PH-001872 with Absolute Control Transitional Counseling Center, Inc. to increase the annual funding by \$20,000, increasing the annual obligation from \$55,000 to \$75,000, and the total maximum obligation from \$165,000 to \$225,000, to provide additional Outpatient Drug Free Services.

County Counsel has reviewed and approved the amendments as to form and this delegated authority action.

If you have any questions or need additional information, please let me know.

JEF:yl
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c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors